



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: May 9, 2001

REPORT NO. 01-089

ATTENTION: Natural Resources & Culture Committee
Agenda of May 16, 2001

SUBJECT: Program Management/Construction Management Services for the
Metropolitan Wastewater Department

SUMMARY

Issue - What actions should the City Council take regarding the approval of Program Management and Construction Management Services for the Metropolitan Wastewater Department (MWWD)?

Manager's Recommendations - (1) Authorize the City Manager to execute Amendment No. 12 to an existing contract with Sverdrup Civil Inc. to continue to provide ongoing construction management services for work already begun. This amendment would extend the contract duration nine (9) months and increase the contract amount by \$6,085,678. (2) Authorize the City Manager to enter into an Agreement with HDR Engineering, Inc. (HDR) to provide future as-needed program management and construction management services to MWWD, for a period of three (3) years, and an amount not to exceed \$7,000,000.

Other Recommendations - None

Fiscal Impact - The total cost of Amendment No. 12 for the agreement extension with Sverdrup Civil Inc. is \$6,085,678. The total cost of the agreement with HDR Engineering, Inc. is \$7,000,000 over a period of three (3) years.

Funding for the costs of these agreements is available in Sewer Revenue Funds 41506, 41508, and 41509.

BACKGROUND

The Metropolitan Wastewater Department (MWWD) is currently in the midst of upgrading the Metropolitan Sewerage System, a program that has been ongoing for the past 12 years. MWWD is committed to provide a safe, efficient, regional sewerage system that supplements our local water supply and meets state and federal standards at the lowest possible cost. This goal is being achieved through an aggressive program of planning and research, use of state of the art technology, new construction, and ongoing maintenance of existing facilities. MWWD treats wastewater from over 450 square miles conveyed through thousands of miles of pipe and 83 individual pump stations to the North City Water Reclamation Plant, the Point Loma Wastewater Treatment Plant, the San Pasqual Water Reclamation Plant, the South Bay Water Reclamation Plant (under construction), and two ocean outfalls. Solids from the wastewater treatment plants are processed at the Metro Biosolids Center located on Marine Corps Air Station, Miramar.

To assist MWWD in program and construction management, MWWD first entered into an agreement on March 22, 1988, with Montgomery Watson to provide program management services. In December, 1991, as the initial projects in the program moved into construction, the City entered into an agreement with Sverdrup Civil Inc. for Construction Management Services. Montgomery Watson's and Sverdrup Civil Inc.'s agreements with MWWD are nearing their completion. As work loads fluctuate in planning, design, and construction of new facilities and modifications to existing facilities, staffing requirements also change. MWWD needs to maintain a consultant to provide both construction management and program management services on an as-needed basis to supplement MWWD's own staff. It is prudent to use the existing Program Manager and Construction Manager to complete projects they are directly involved in, while assigning new projects and related tasks to a new consultant that will provide future program and construction management services.

DISCUSSION

Sverdrup Civil Inc.

Sverdrup Civil Inc. has served as Construction Manager for MWWD since December 10, 1991. During this time, Sverdrup Civil Inc. has provided all aspects of construction management services for the \$1.2 billion upgrade of the Metropolitan Sewerage System and recently began providing services for the upgrade of the Municipal Wastewater System. Currently, Sverdrup Civil Inc. is providing construction management services for projects related to the Point Loma Wastewater Treatment Plant Upgrades, South Bay Water Reclamation Plant, Job Order Contract, Wastewater Operations Management Network, and several Municipal Wastewater Trunk Sewers and Pump Stations. All of these projects are expected to be completed on or before December 2002.

Sverdrup Civil Inc.'s existing contract expires in March 2002. In order to ensure continuity in the management of the above projects, many of which are nearing completion of construction and facility start-up, it is recommended that the existing contract be amended to extend the contract completion date to December 2002. It is also requested that Sverdrup Civil Inc.'s contract be increased in the amount of \$6,085,678 to fund the Municipal System wastewater projects that were recently added to their scope of work and to complete the existing Metropolitan System projects. The construction management of five Municipal System projects was added to this scope of work to accelerate the construction and the overall upgrade of the Municipal System, in keeping with the Department and Mayoral Goal to reduce sewage spills and beach closures. Also, additional services for ongoing work associated with the South Bay, Point Loma, and COMNET facilities are required. Attachment 1 outlines the proposed projects for this amendment.

Subcontractor Utilization: Sverdrup Civil Inc. has consistently supported the City of San Diego's policy of voluntarily providing subcontracting opportunities to a broad range of interested and qualified firms. To this end, Sverdrup Civil Inc. has subcontracted 65.29% of the work: 10.68% of the work was subcontracted to local Women Business Enterprises, 17.36% of the work was subcontracted to certified business enterprises, with the remaining 37.25% spread across 21 other subcontractors. Many of the other subcontractors were small local firms, which provided special skills or expertise.

HDR Engineering, Inc.

A Request for Proposals was advertised in September, 2000, for an as-needed Construction Manager/Program Manager. The Request for Proposals announced MWWD's desire to consolidate future program management and construction management services with one consultant. It identified a contract duration of three (3) years, beginning in 2001. A total of three (3) proposals were received. A selection committee was formed to short-list qualified firms. All firms were short-listed and invited to present their qualifications to the selection committee. Interviews were held in compliance with City Council policy. HDR Engineering, Inc. was determined to be the most qualified firm.

The as-needed CM/PM services are crucial to meet various Capital Improvement Project schedules (design and construction) for the upgrade of the Municipal Wastewater System and the Metropolitan Sewerage System, as well as to support the Department's operations and maintenance requirements. The as-needed CM/PM consultant will be instrumental in assisting MWWD in meeting our goal of spill reduction over the next six (6) years by providing services for the planning, predesign, and construction management of our Municipal Wastewater Collection system and pump stations. The scope of work for the HDR contract includes support in preconstruction, construction, and post construction activities. Construction management services anticipated include, for example: contract document preparation, project control, estimating, procurement management, constructibility review, bidability review, public bidding

support, document control, contract administration, change order and claims management, EOCP compliance support, safety and security monitoring, inspections, soil and materials testing, field surveying, hazardous materials mitigation and monitoring, equipment testing, start-up, and project close-out. Project management services anticipated include, for example: development of facility pre-design reports, planning reports, technical reviews, technical studies, pilot studies, and guideline updates. Attachment 2 lists projects and services anticipated in the near future for HDR Engineering, Inc.

Subcontractor Utilization: In keeping with the City of San Diego's policy to voluntarily provide subcontracting opportunities to all interested and qualified firms, HDR Engineering, Inc. has retained the following subconsultants as members of their consultant team:

Certified Subconsultants:

MARRS Services, Incorporated, a certified Women Owned Business Enterprise
Richard Brady & Associates and Kleinfelder Associates (RBKA), a certified
Disadvantaged Business Enterprise.

Katz & Associates, a certified Disadvantaged Business and Women Owned Business
Enterprise

Due to the nature of the as-needed contracts, the percentage use of the above-mentioned subconsultants is dependent upon the tasks authorized by the City and the type of work required as part of those tasks.

CONCLUSION

MWWD is currently in the midst of a large Capital Improvement Program that requires ongoing support in program management and construction management. It is prudent to retain MWWD's Construction Manager (Sverdrup Civil Inc.) to complete tasks already begun. MWWD desires to consolidate future program management and construction management services with one consultant. MWWD received proposals from three qualified contractors to provide these services, and each was interviewed. HDR, Engineering, Inc., was determined to be the most qualified consultant to provide future MWWD program management and construction management services.

ALTERNATIVES

1. Do not amend Sverdrup Civil Inc.'s existing agreement for construction management services at this time. This alternative is not recommended because of the current level of effort Sverdrup Civil Inc. is involved in with their ongoing projects, especially the

start-up of major wastewater facilities. It would not be efficient or cost-effective to replace them with a new consultant at this time.

2. Do not enter into an agreement with HDR Engineering, Inc. for Program Management and Construction Management services at this time. This alternative is not recommended because of the time constraints placed upon the City to comply with federal wastewater system requirements. In addition, City staff would need to be hired to meet a fluctuating workload.

Respectfully Submitted,

F.D. Schlesinger
Director
Metropolitan Wastewater Department

Approved: George I. Loveland
Senior Deputy City Manager

FDS:AKS:CME:oc

Attachments: 1. Proposed CM Services for Sverdrup Civil Inc.
2. Proposed CM/PM Services for HDR Engineering, Inc.

Projects Identified to Date for Sverdrup Civil Inc.

<u>CIP No.</u>	<u>Project</u>
46-175.0	Point Loma – Headworks, Odor Control & Grit Processing Facility
46-177.0	Point Loma – Sedimentation Basins 11 & 12
42-910.6	South Bay Water Reclamation Plant
40-911.3	South Bay Water Reclamation Sewer and Pump Station
45-920.0	COMNET – On-going support to COMNET
46-195.0	Belt Street Trunk Sewer
46-072.0	Catalina Boulevard Trunk Sewer
46-106.0	Pump Station No. 4
46-106.0	Pump Station No. 27 Restoration
46-190.0	West Linda Vista Trunk Sewer

Projects Identified to Date for HDR Engineering, Inc.

<u>CIP No.</u>	<u>Project</u>
40-910.2	Chollas Valley Trunk Sewer, Phase 2
41-924.0	Otay River Pump Station
42-915.0	North City Water Reclamation Plant Permanent Demineralization
42-928.0	San Pasqual Process Replacement Project
45-942.0	Metropolitan Operations Center, Building 7 (MOC 7)
46-108.0	Pump Station No. 77A
46-187.0	Environmental Monitoring and Technical Services Laboratory
46-191.0	Brine Diversion Pipeline & Pump Station
46-200.0	Pump Station No. 30 - PL Alternative
46-602.2	Pump Station No. 27 Force Main
46-180.1	Point Loma Administration Building
46-182.0	Point Loma Chemical Feed System
46-170.0	Point Loma Digester C1/C2 Upgrade
46-217.0	Point Loma North Access Road
45-937.0	Point Loma Site Improvements